

HOUSE RESEARCH

Bill Summary

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Subject: School District Aid Payment Shifts; Requiring a Three-fifths Passage Rate

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Overview

School districts use the accrual method of accounting, which means the full amount of the aid entitlement owed to a district for a fiscal year is booked as revenue for that year, regardless of when the state aid is actually received by the district. The state, on the other hand, uses a cash-based system of accounting. As a result, the state can save money on a onetime basis by implementing a “shift” of school district state aid. There are two types of shifts—the aid payment shift and the property tax recognition shift.

This bill establishes a statutory requirement that any legislation designed to allow the state to benefit from either the property tax recognition shift or the current year aid payment shift must receive the approval of at least three-fifths of the members of each house of the legislature.

- 1 Levy recognition.** Statutorily requires three-fifths of the members of each house of the legislature to vote for any provision that would increase the property tax early recognition shift percentage.
- 2 Applicability.** Statutorily requires three-fifths of the members of each house of the legislature to vote for any provision that would lower the portion of the school aid entitlement that is paid to school districts in the current year below 90.